

Outlook

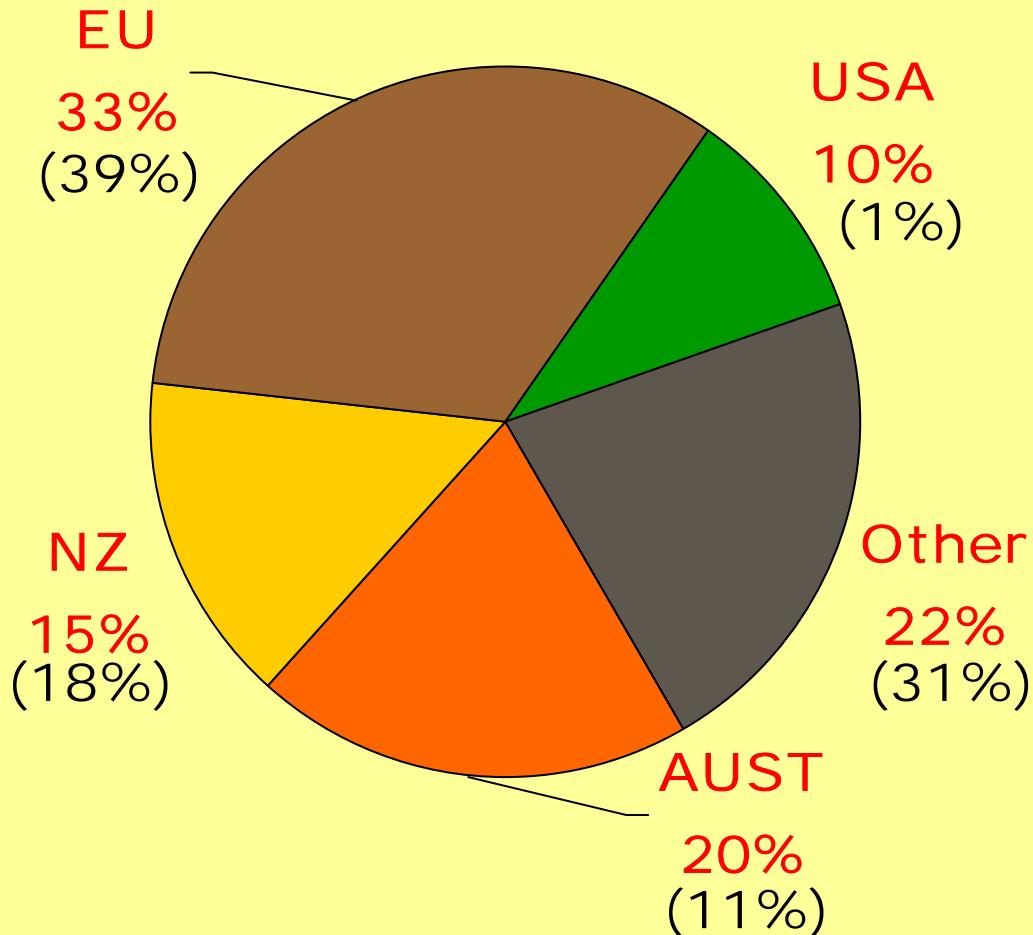
World Milk Powder Trade

February 2002
Agricultural Outlook Forum 2002
Presented by Robert Pettit

NDM: Share of International Trade

(Year 1990: 0.829Mt)

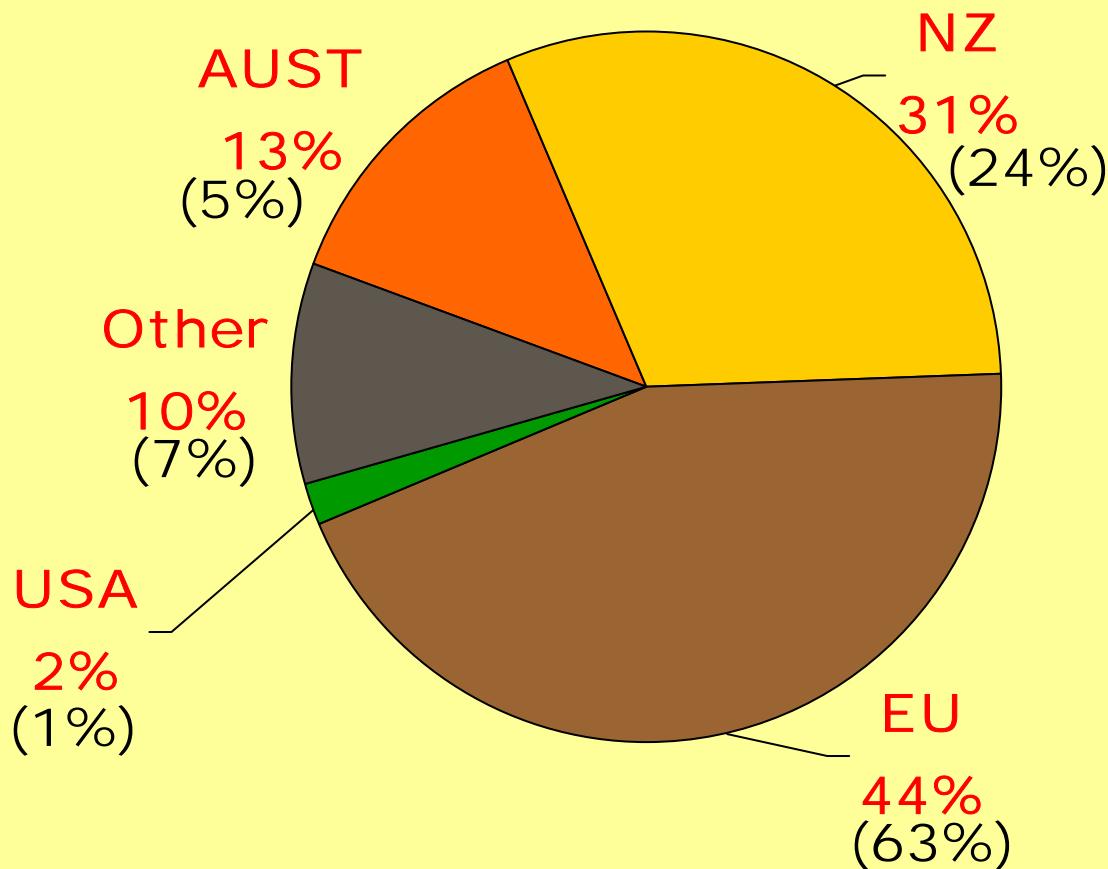
Year 2000: 1.056Mt



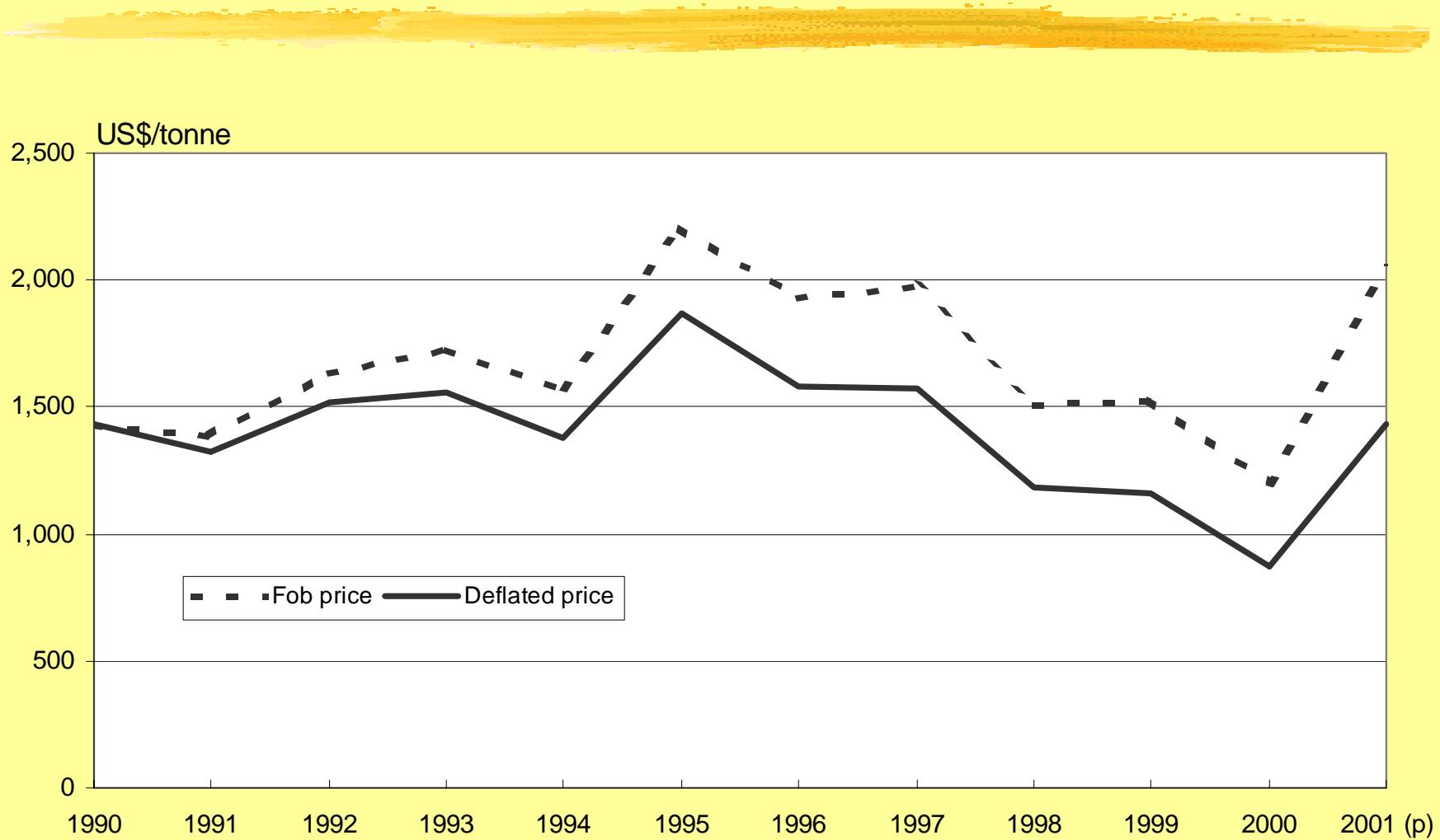
WMP: Share of International Trade

(Year 1990: 0.785Mt)

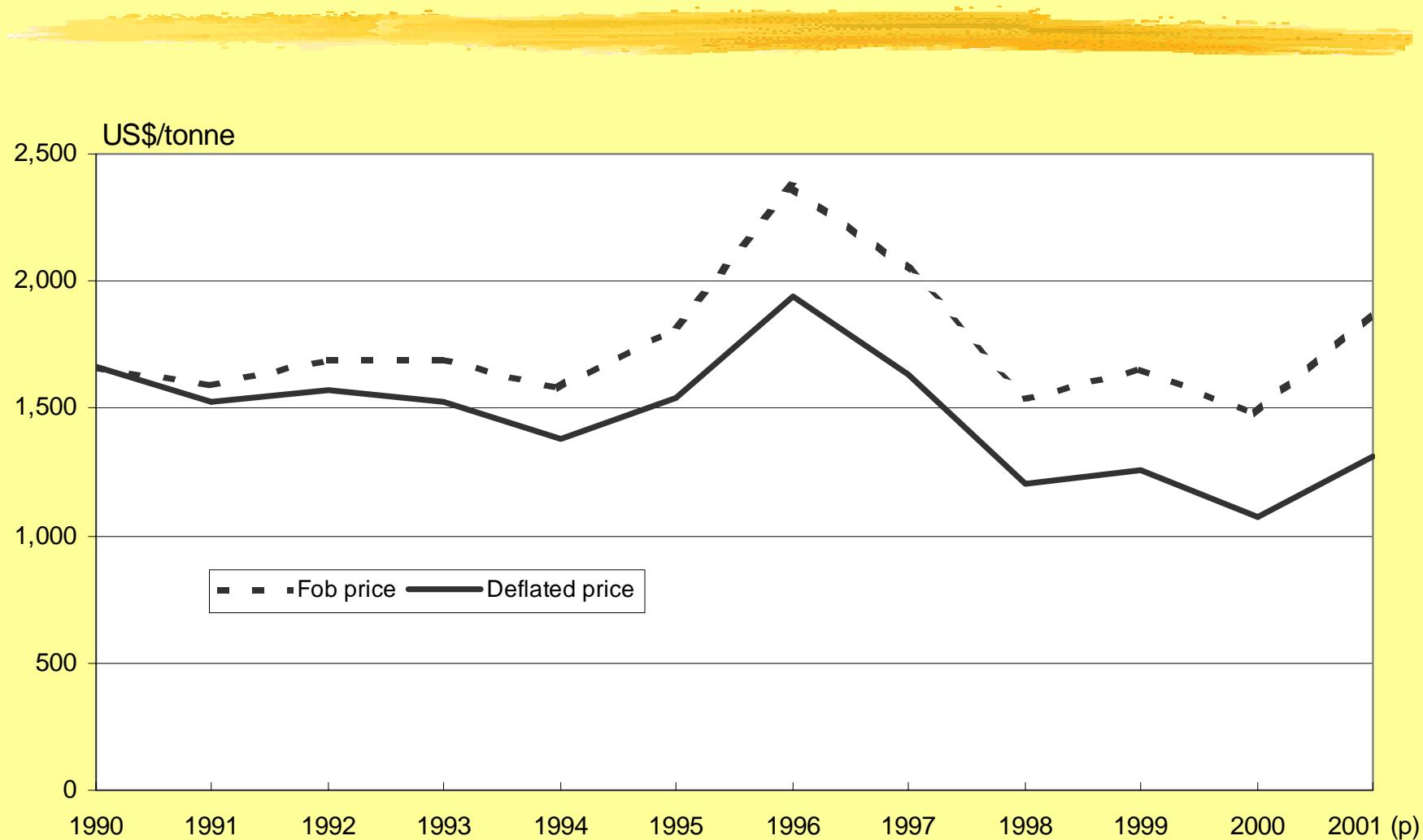
Year 2000: 1.31 Mt



NDM on a rollercoaster ride

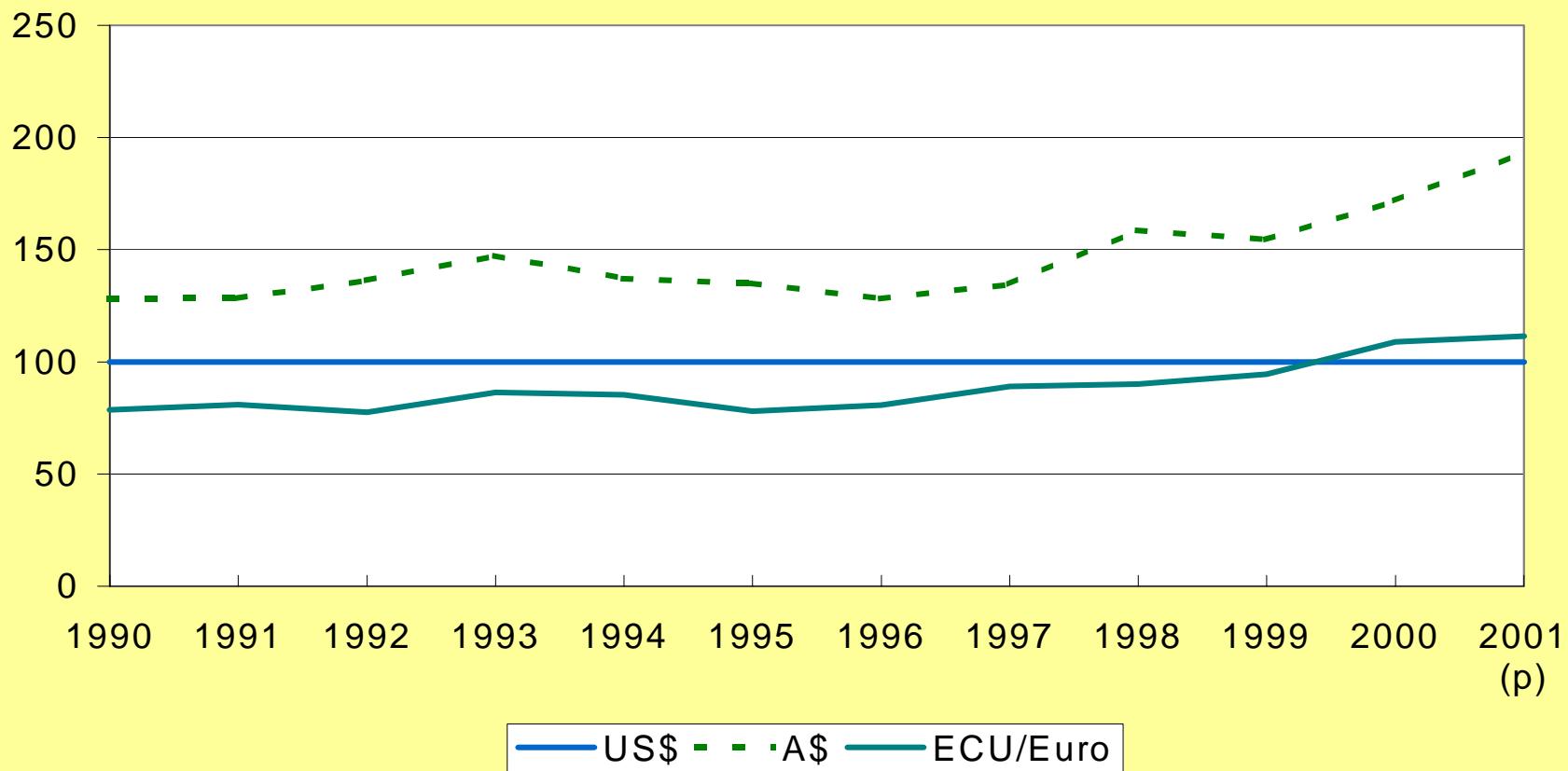


WMP - another rollercoaster ride

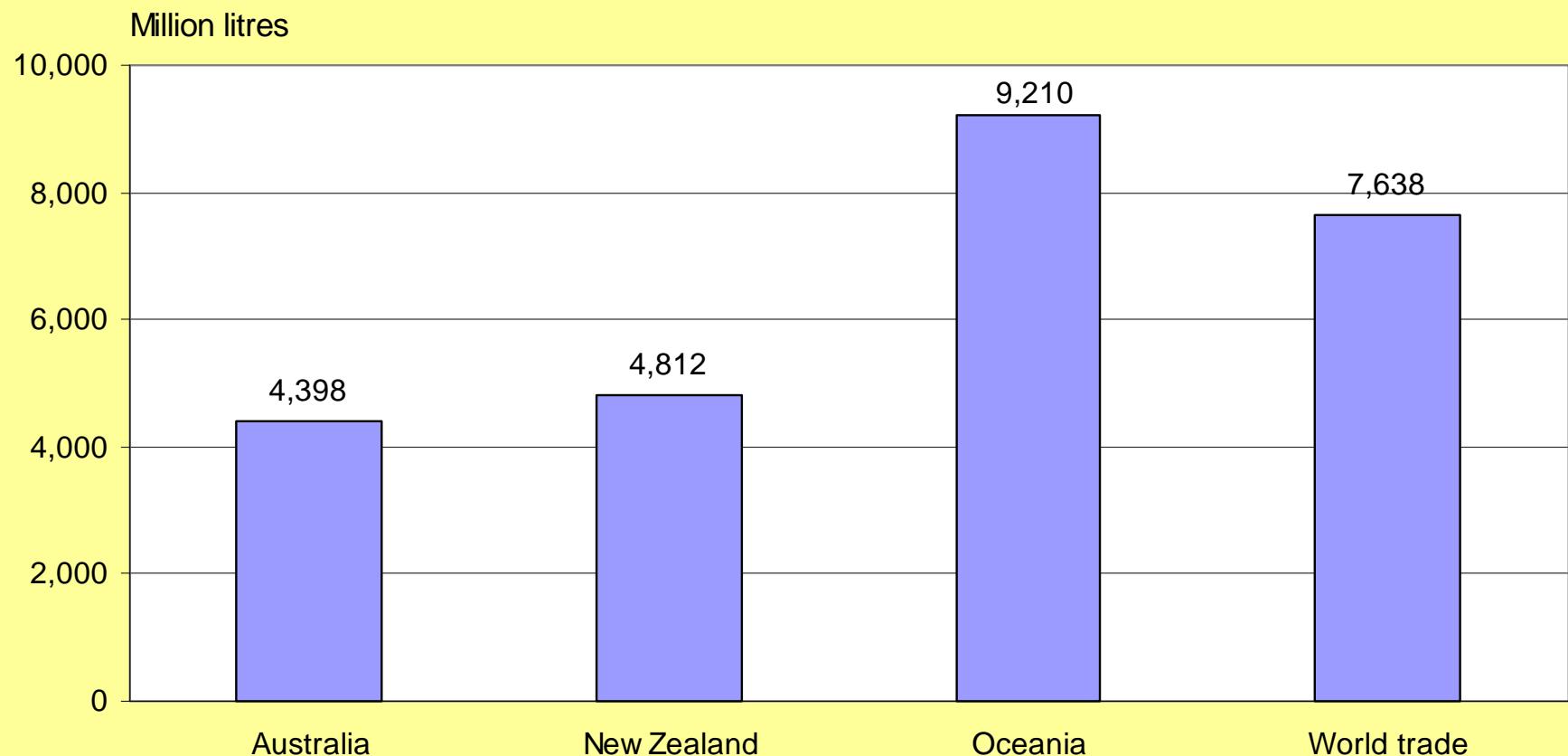


The strength of the greenback

\$ = 100



The “incentive” and the “challenge”



Tail wagging the dog?



"Clean and green"



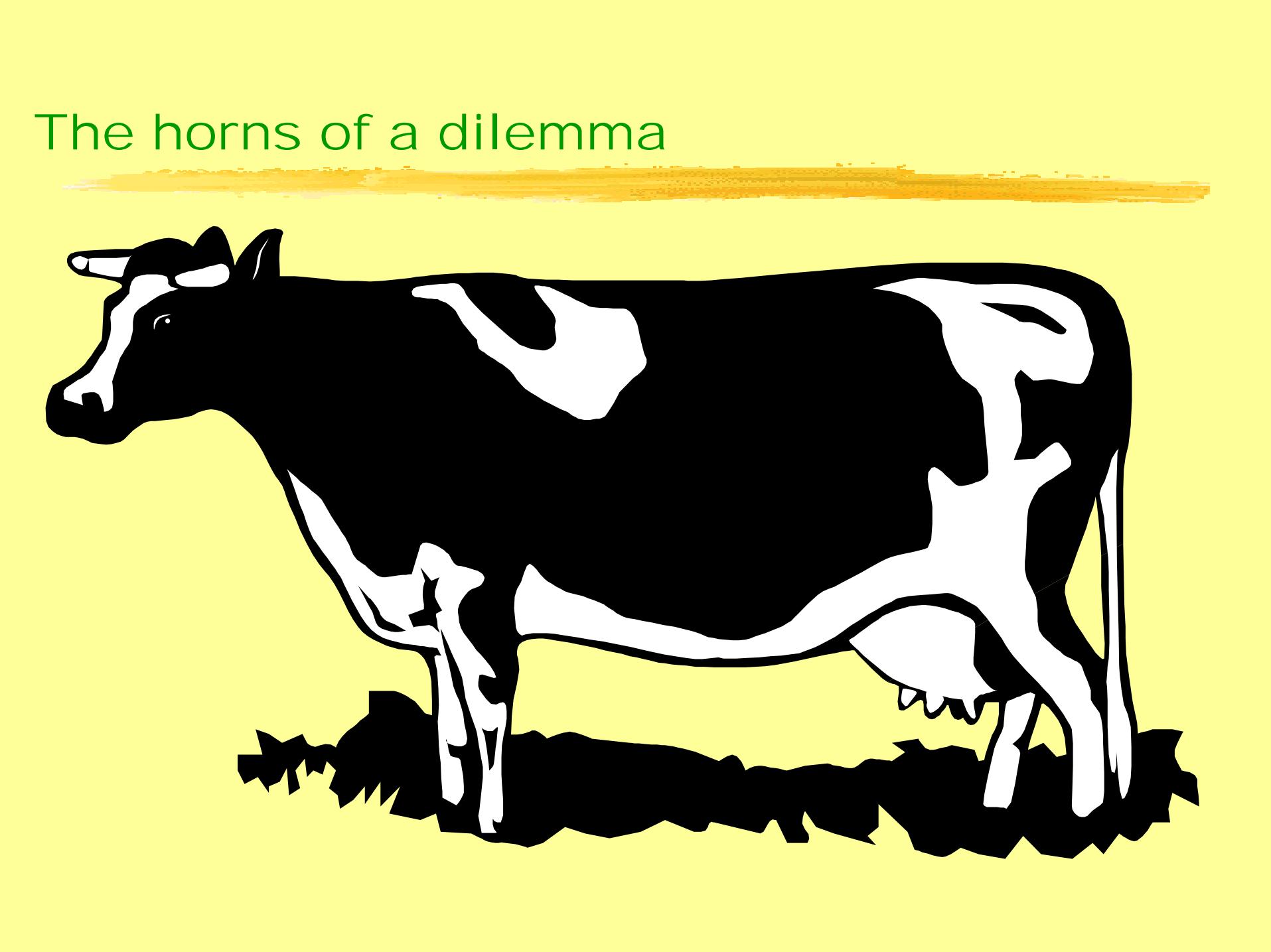
More horsepower needed!



China the Savior?

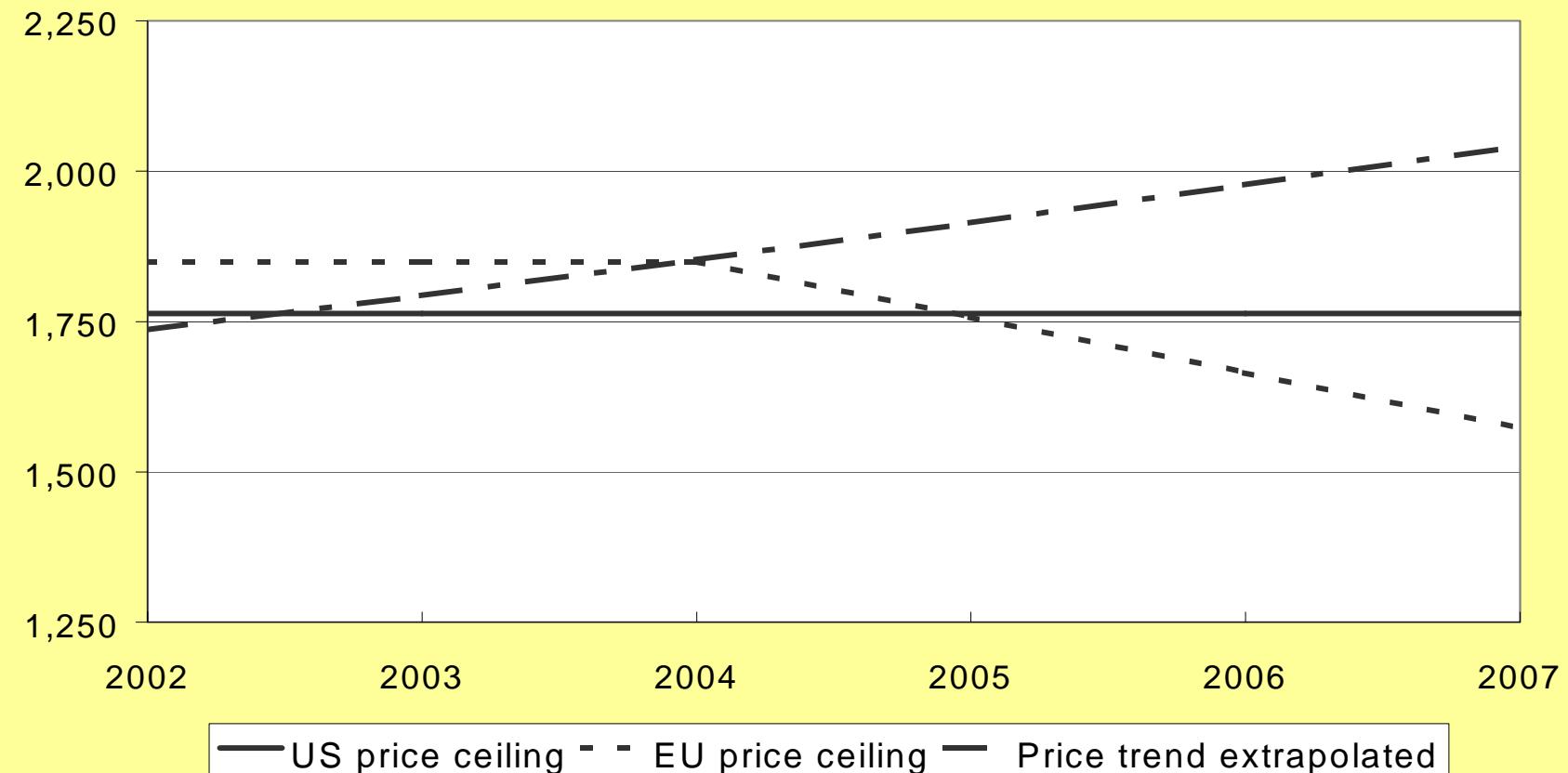


The horns of a dilemma

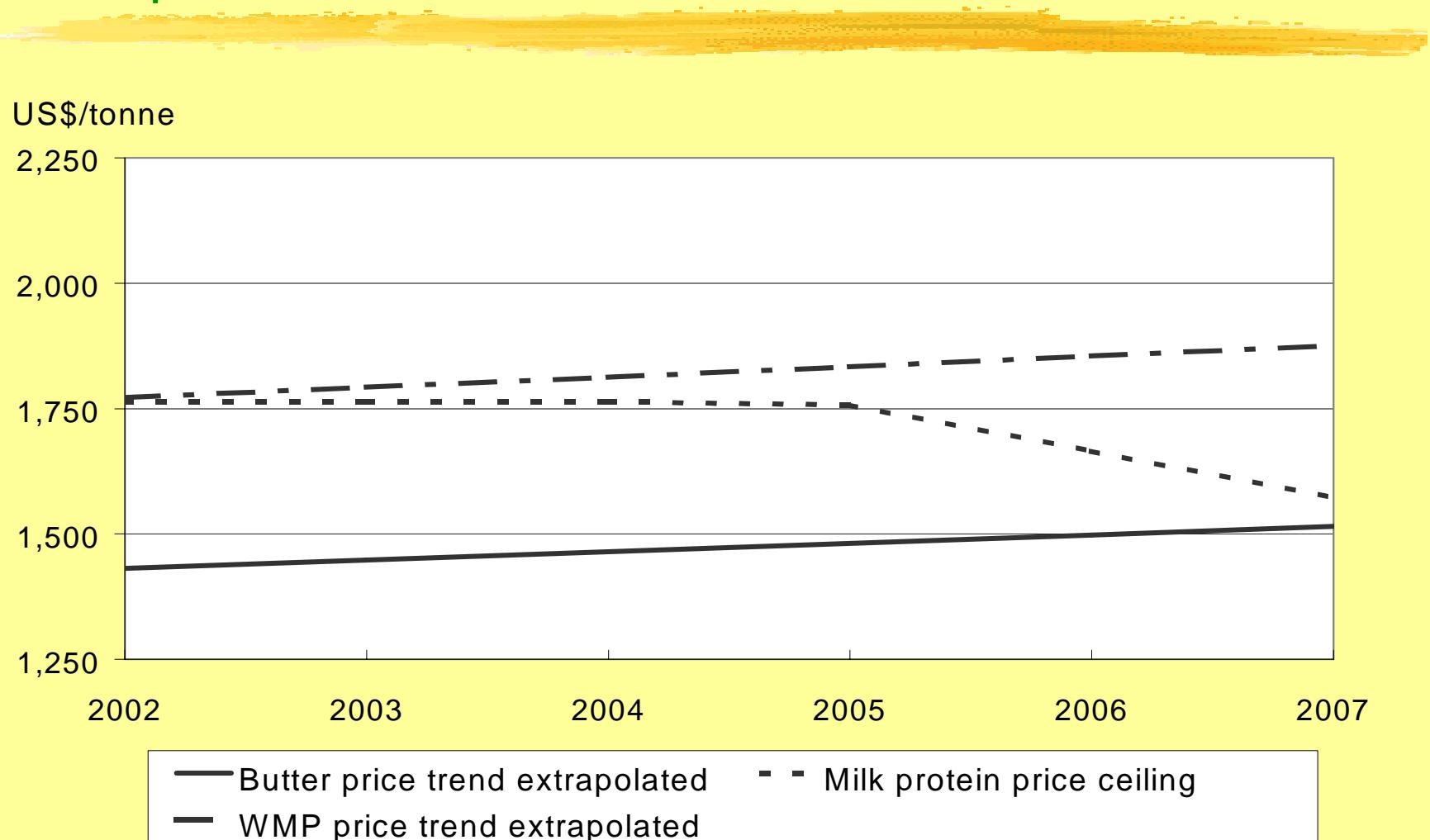


NDM price ceiling: 2002 to 2007

US\$/tonne

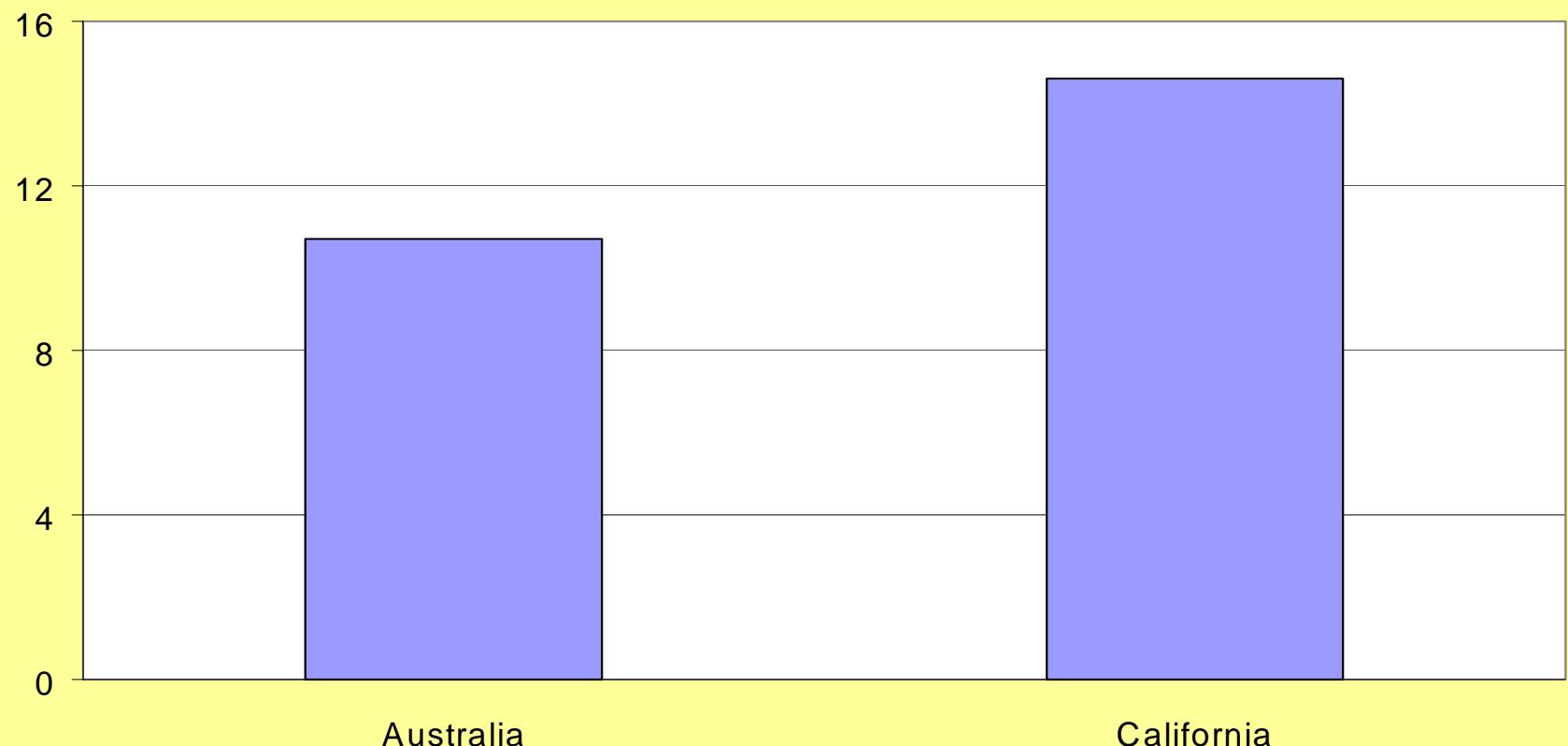


WMP price band: 2002 to 2007

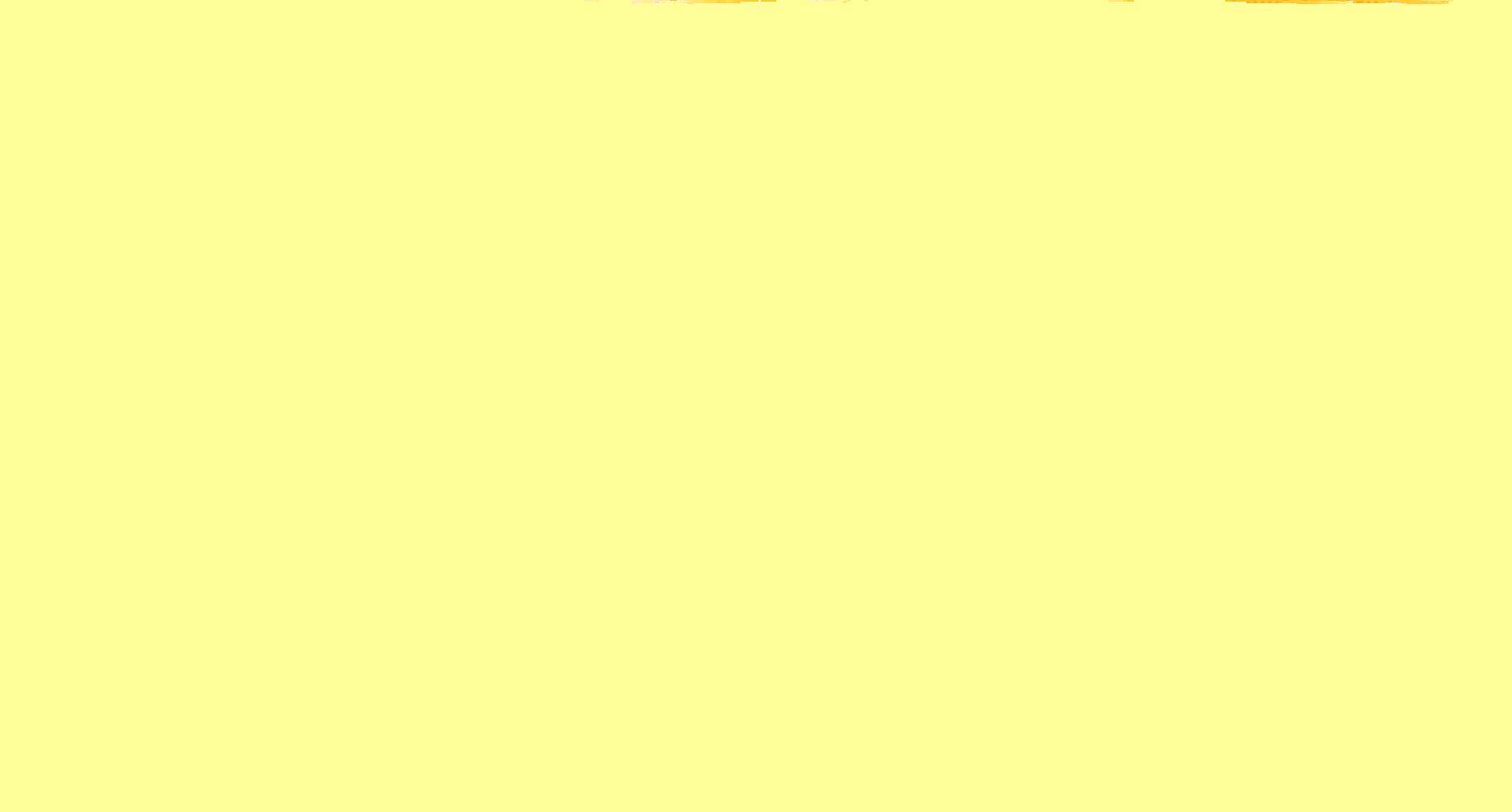


A 'Down Under' perspective

Billion litres



Supplementary Charts

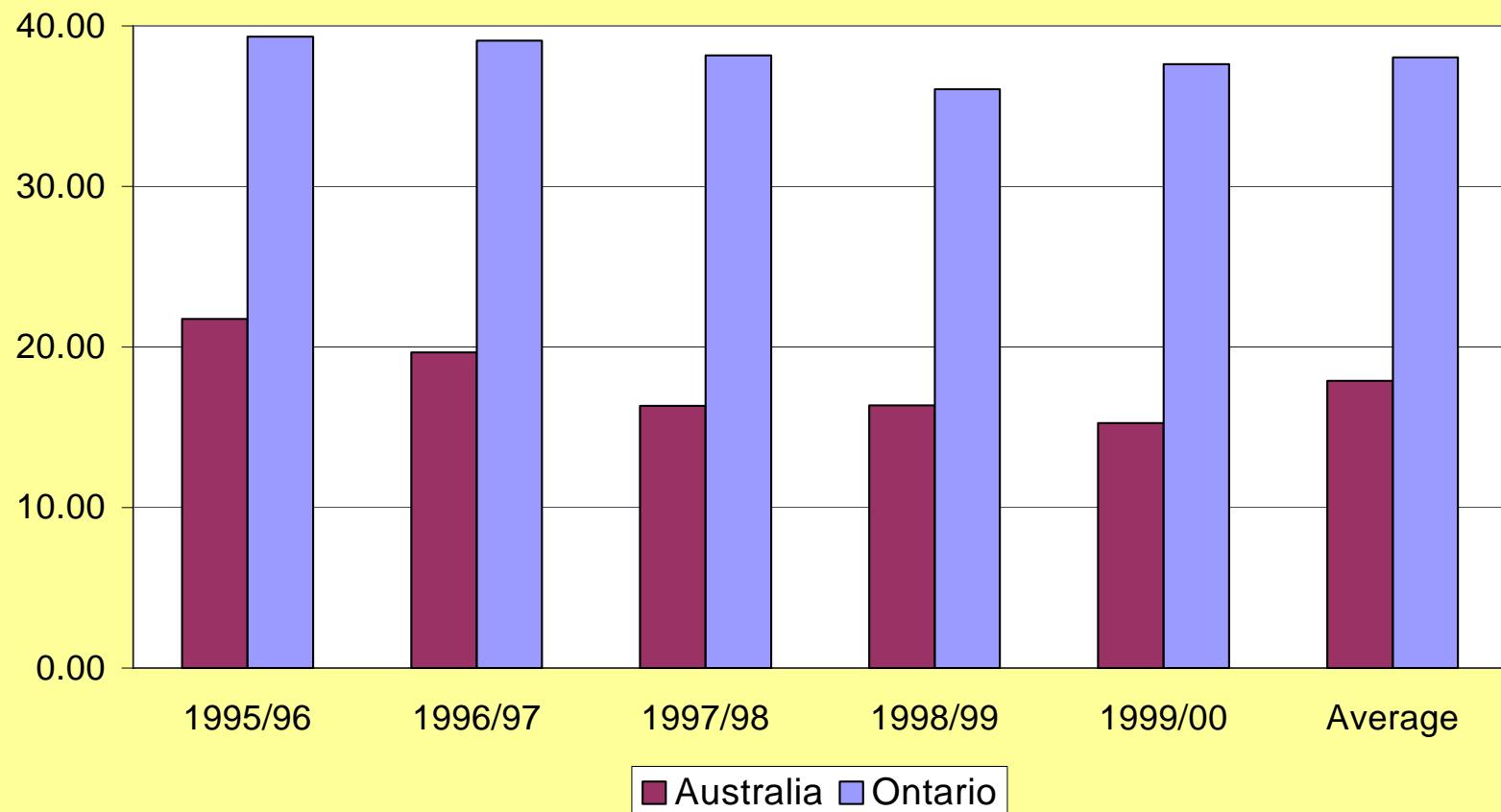


Economic growth forecasts for key dairy importing regions

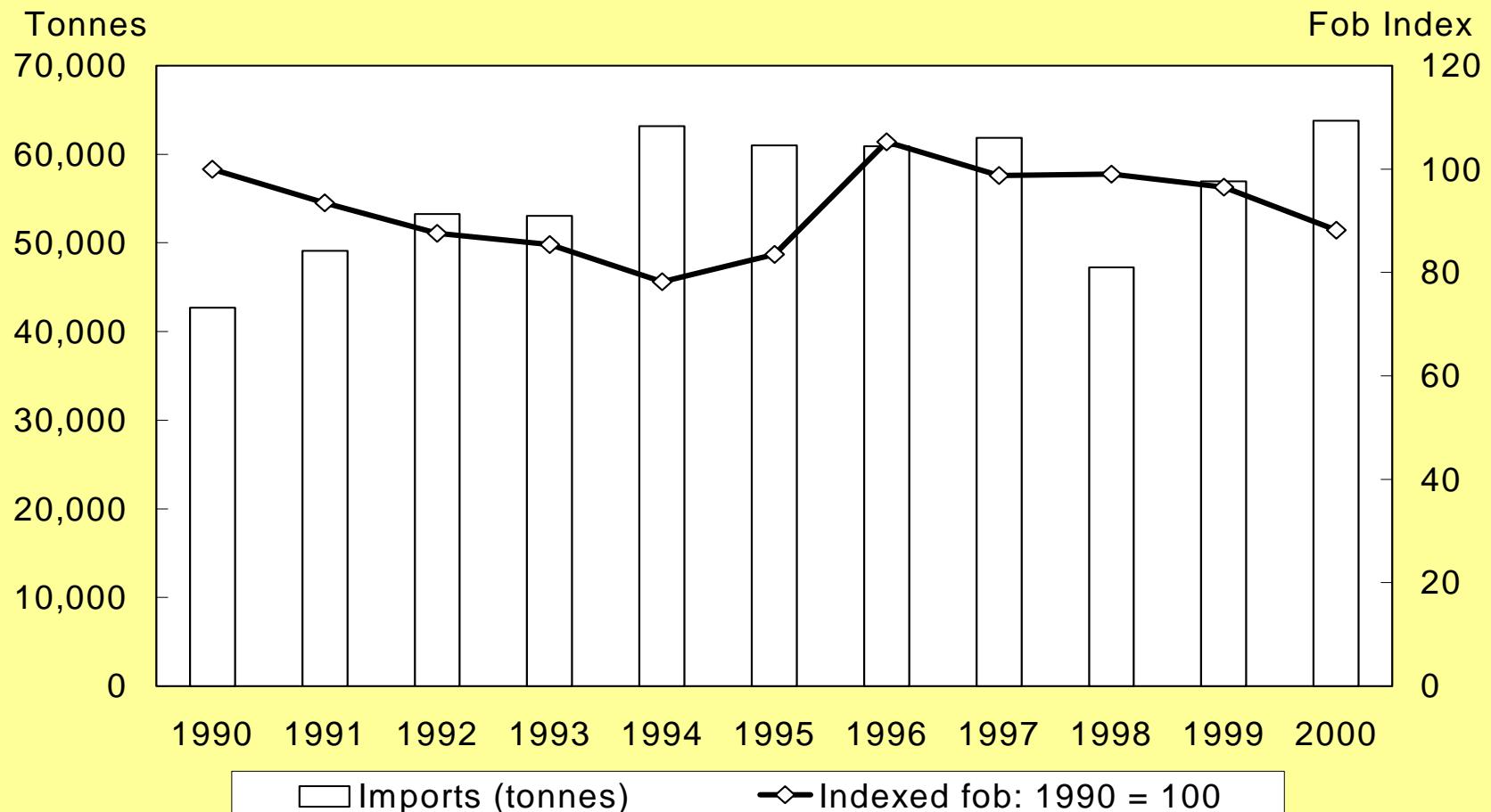
	2001	2002	2003	2004	2005	2006
Asia excluding Japan	3.1	4.2	5.9	5.9	6.1	6.1
ASEAN	1	2.3	5.2	5	4.9	4.7
Japan	-0.4	-1.5	1.4	1.4	1.5	1.5
Middle East/Nth Africa	2.3	2.4	4.2	3.7	3.7	3.9
Latin America	0.5	1.5	3.7	4.3	4.4	4.2
Mercosur	0.6	1.2	3.9	4.1	4.2	3.9

Comparison of farmgate (mailbox) prices

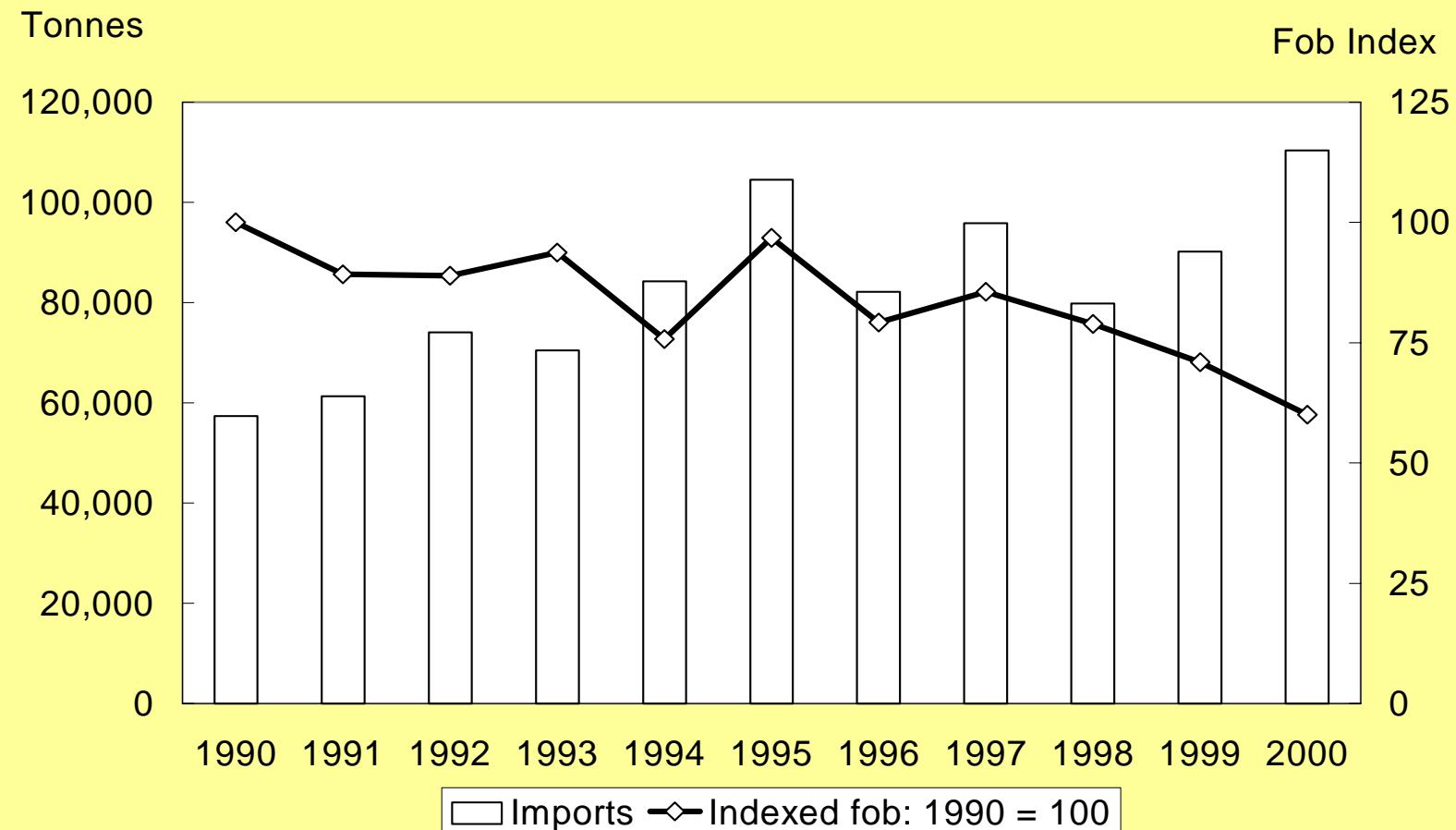
US cents per litre



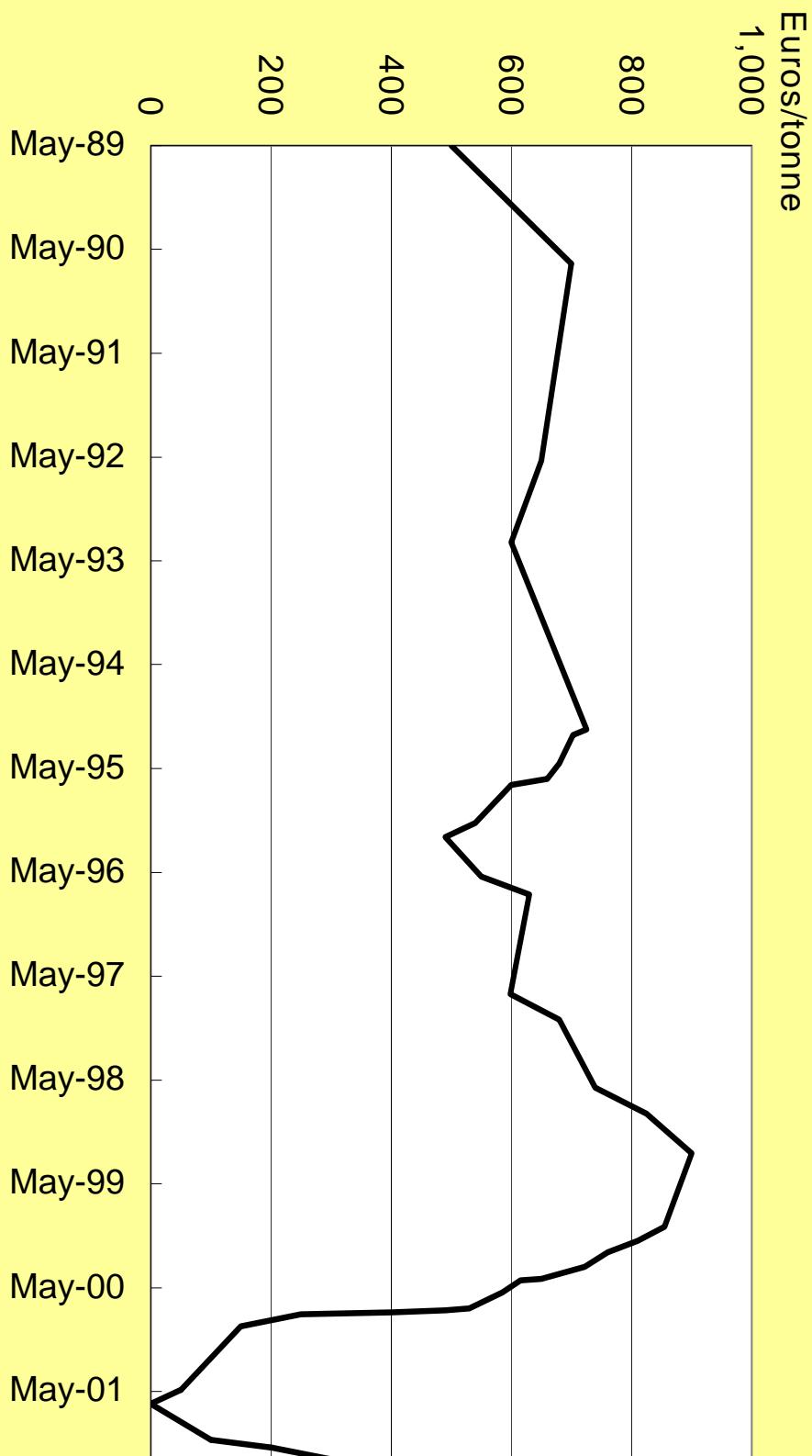
Malaysia - the deflated price of WMP in Ringitt



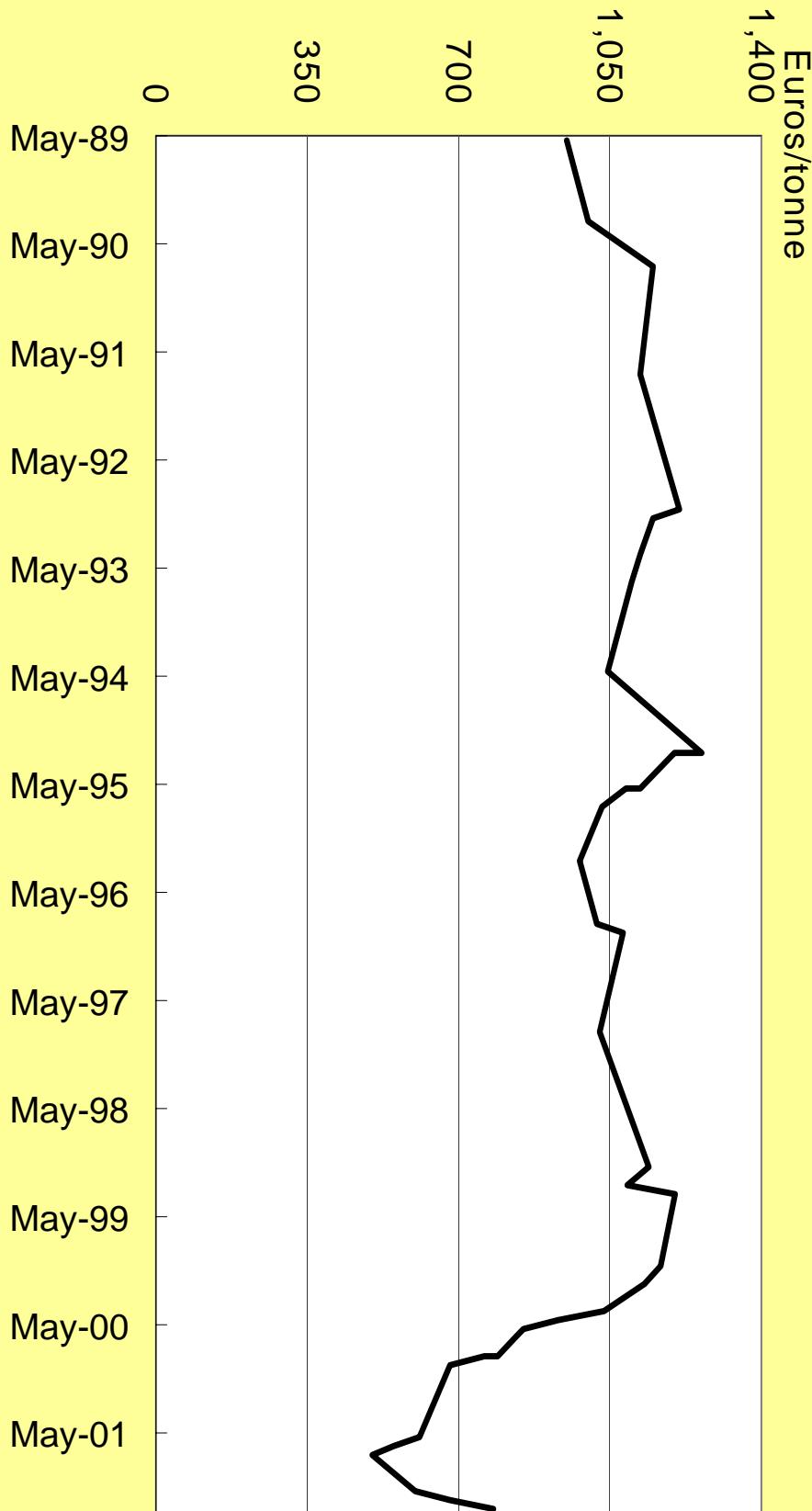
Philippines: the deflated price of NDM in Pesos



EU NDM export subsidy



EU WMP export subsidy



Turnover in the supply chain

\$ Billions

40

30

20

10

0

Large farmer in
Australia

Murray Goulburn

13.4

36

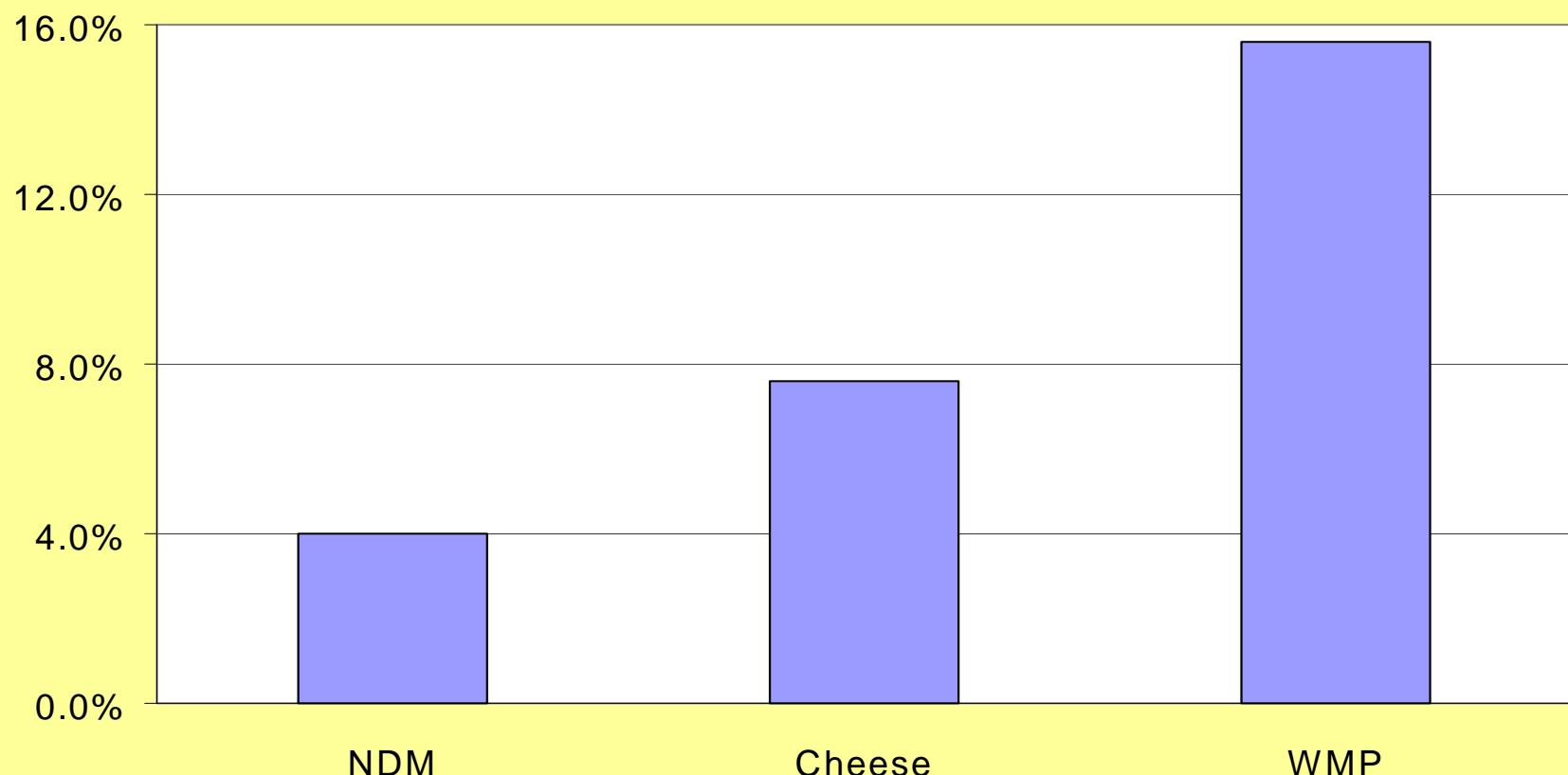
Walmart (grocery)

0.8707

0.0014

Australian dairy products: 1990 to 2000

Compound annual growth rate



Structural surplus of NDM

